
FEDERAL HOUSING FINANCE AGENCY



NEWS RELEASE

For Immediate Release
June 27, 2013

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FHFA Index Shows Mortgage Interest Rates Dipped in May

Washington, DC – National data show interest rates on mortgages decreased from April to May. Contract mortgage interest rates decreased slightly from April to May—down 0.15 percent from April, according to an index of new mortgage contracts.

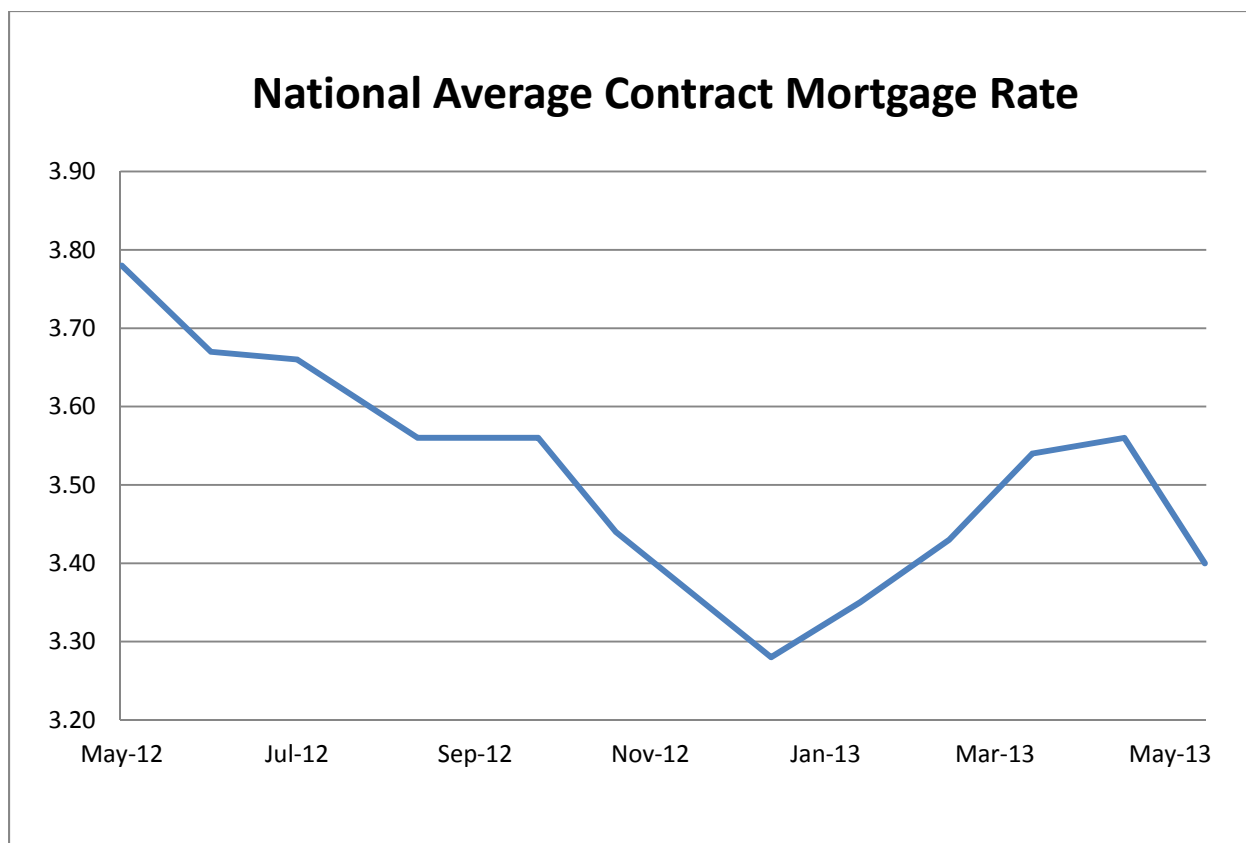
According to the Federal Housing Finance Agency (FHFA), the National Average Contract Mortgage Rate for the Purchase of Previously Occupied Homes by Combined Lenders index was 3.40 percent for loans closed in late May. The index is calculated using FHFA's Monthly Interest Rate Survey. The contract rate on the composite of all mortgage loans was 3.40 percent, down 15 basis points from 3.55 in April.

Interest rates are typically locked in 30-45 days before a loan is closed. Consequently, May data reflect market rates from mid-to-late April. The effective interest rate was 3.57 percent, down 12 basis points from 3.69 percent in April. The effective interest rate accounts for the addition of initial fees and charges over the life of the mortgage.

FHFA's interest rate survey shows the average interest rate on conventional, 30-year, fixed-rate mortgages of \$417,000 or less was 3.58 in May, a decrease of 19 basis points. The average loan amount was \$280,600 in May up \$14,100 from \$266,500 in April.

FHFA will release June index values July 30, 2013.

For more information, call David Roderer at (202) 649-3206. You can hear recorded index information by calling (202) 649-3993. You can find the complete contract rate series at www.fhfa.gov/Default.aspx?Page=251.



Source: FHFA

Technical note: The data are based on a small monthly survey of mortgage lenders, which may not be representative. The sample is not a statistical sample but is rather a convenience sample. Survey respondents were asked to report terms and conditions of all conventional, single-family, fully amortized purchase-money loans closed during the last five working days of the month. The data did not include mortgages guaranteed or insured by the Federal Housing Administration or the U.S. Department of Veterans Affairs. Data also excluded refinancing loans and balloon loans. April 2013 data are based on 7,529 reported loans from 29 lenders, which include savings associations, mortgage companies, commercial banks, and mutual savings banks. The effective interest rate includes the amortization of initial fees and charges over a 10-year period (the historical assumption of the average life of a mortgage loan).

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The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. These government-sponsored enterprises provide more than \$5.5 trillion in funding for the U.S. mortgage markets and financial institutions.